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WEEKLY GRAIN COMMENTARY

Kevin McNew Adjunct Professor, University of Maryland

Grains drifted lower this week, with wheat prices suffering a 30-cent sell off. Liquidation of long positions by large fund traders and weak exports were the primary drivers for lower wheat prices. However, the fundamentals still remain friendly to wheat as 30-year lows in U.S. and world ending stocks combined with dry weather in South America and Australia could keep prices from faltering much further. In corn, prices were off 5 cents for the week, but the outlook remains promising once harvest is behind us. This week’s USDA corn estimates and the likely direction of yield change on subsequent reports take away most of the supply worries for the 2006-07 crop year. No surpluses are likely, but supplies should be just enough to get by. However, soon the market will need to become more concerned about next year, when total corn utilization will be around 12 billion bushels. To cover this much demand, the market will need to buy about 5 million acres over this year’s 79.4 million acres. In soybeans, the market continues to try and absorb large carryouts. But, the large supplies of beans have been a part of our market for months, and prices have already been influenced by these estimates. South America is likely to see a drop in soybean acreage with some estimates putting it as high as 10 to 15 percent lower. Also, if corn is going to buy an extra 5 million acres in 2007, then most of that acreage will come from soybeans which should help support new-crop 2007 prices. For now, however, the best marketing play in soybeans will likely be the LDP.

Grain futures	Corn Basis		Soybean Basis		Wheat Basis	
Location	Nearby	Forward	Nearby	Forward	Nearby	Forward
Western, MD	-3		-70		-83	
Central, MD	-15	-17	-63	-63	-81	
Southern, MD	-20		-45	-40		
Upper E. Shore	-7		-30	-27	-95	
Lower E. Shore	+1	+3	-20	-15	-97	

WEEKLY CROP WEATHER SUMMARY – September 11, 2006

USDA, National Agricultural Statistics Service,
Maryland Field Office

Warm sunny days and scattered showers allowed farmers 4.8 days suitable for field work for the week ending September 10, 2006. Sunshine and adequate moisture provided good growing conditions for second crop soybeans. A majority of the corn crop is drying down and 67 percent has matured. Early maturing fields are being harvested for grain. Harvesting of corn silage is progressing nicely at 79 percent harvested. This is 18 percent more than last year and 29 percent more than the five-year average. Over 30 percent of the soybeans are turning color and 13 percent are dropping leaves. Hay supplies was rated 8 percent very short, 14 percent short, 74 percent adequate and 4 percent surplus. Pasture is rated 8 percent very poor, 26 percent poor, 36 percent fair, 27 percent good and 3 percent excellent.

CASH GRAINS – REGIONAL – (\$/bu) DEALERS AVERAGE CASH QUOTES

Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
Date	09/06	09/13	09/06	09/13	09/06	09/13	09/06	09/13
Western, MD	2.45	2.35	4.82	4.69	3.23	3.20	1.55	1.55
Central, MD	2.27	2.23	4.89	4.76	3.29	3.22	----	----
Southern, MD	2.24	2.18	5.09	4.94	----	----	----	----
Upper E. Shore	2.37	2.31	5.22	5.09	3.27	3.08	----	----
Lower E. Shore	2.51	2.39	5.35	5.19	3.25	3.06	1.55	1.55
Soybean Meal	Lower Eastern Shore				Dealer’s Average Cash Quotes (\$/ton)			
Date	09/06		09/13		Date		09/06	09/13
48% Soybean Meal	195.00		192.00		44% Soybean Meal		183.00	180.00

FORWARD CONTRACT PRICE – REGIONAL (\$/bu) for Harvest Delivery Dealer’s Avg. Quotes

Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
Date	09/06	09/13	09/06	09/13	09/06	09/13	09/06	09/13
Western MD	----	----	----	----	----	----	----	----
Central MD	2.29	2.21	5.04	4.76	4.13	3.62	----	----
Southern MD	----	----	5.14	4.99	3.98	3.81	1.55	1.55
Upper E Shore	----	----	5.27	5.12	4.02	3.85	1.55	1.55
Lower E Shore	2.53	2.41	5.40	5.24	4.00	3.83	1.67	1.68

GRAIN FUTURES – Chicago Board of Trade (Cents & Quarter – cents/bushel) Settle – September 14, 2006

Corn		Soybeans		Wheat		Soybean Meal ¹	
06Sep	223’0	06Sep	532’0	06Sep	377’0	06Sep	160’8
06Dec	237’2	06Nov	545’2	06Dec	390’4	06Oct	158’6
07Mar	251’2	07Jan	558’6	07Mar	409’2	06Dec	159’8
07May	259’4	07Mar	569’6	07May	418’0	07Jan	161’1
07Jul	267’2	07May	579’6	07Jul	424’0	07Mar	163’8
07Sep	273’2	07Jul	589’4	07Sep	433’0	07May	165’9

1/ Price Unit: Dollars and cents/ton (100 tons (2,000 lbs/ton))

HAY AND STRAW												
New Holland, PA - \$/ton – September 11, 2006												
Alfalfa		Mixed Hay		Timothy		Orchard grass		Straw				
140.00-165.00		65.00 - 230.00		60.00 - 190.00		50.00 - 150.00		65.00 - 160.00				
Westminster, MD - \$/bale – September 12, 2005												
Alfalfa		Alfalfa Mix		Timothy		Timothy Mix		Grass Mix		Straw		
2.80 - 4.10		3.30 - 6.10		2.00 - 5.30		2.20 - 4.30		1.50 - 5.50		1.75 - 3.30		
POULTRY												
Negotiated price for truck lot of ready-to-cook, ice-pack, Grade A Fryers (\$ per CWT) – Week Ending – September 16, 2006												
		Current Week		Week Ago		Month Ago		Year Ago				
N.Y. Weighted Avg.		66.17		65.57		69.60		70.48				
12 City Composite		69.86		69.32		66.43		73.09				
SHEEP & LAMBS - Westminster, MD - \$/cwt – September 12, 2006												
Sheep	39.00 - 62.50			Lambs	Under 50 lbs	100.00 -120.00	Feeders					
Too fat	32.00 - 36.00				50 - 80 lbs	97.50 -112.50	90.00 -100.00					
					90 - 130 lbs	90.00 -104.00						
TERMINAL MARKETS HOGS – September 13, 2006				DIRECT MARKET HOGS – Westminster, MD – September 12, 2006								
Base Price Range	Carcass Basis	Sows (1 -3)		Butcher Hogs			Sows					
a.m.	Base 185 lb Hog	300 – 449 lbs		#1 215 - 275 lbs	47.50 - 56.50		Heavyweights		32.00 - 34.00			
Eastern Corn belt	59.00 - 70.00	NA		Heavyweights	46.00 - 48.50		Lightweights		27.00			
Iowa, Minn	60.00 - 70.15	NA		Boars			Boars					
				Heavyweights	11.00 - 14.00		Lightweights		19.00 - 23.00			
Market Hogs - Millsboro, DE – September 13, 2006 - dollars/cwt 40.00 - 42.00 Next sale date – Oct .11, 2006												
FEEDER PIGS – (\$/CWT) –												
Gumboro, DE September 13, 2006 Next sale date – Oct. 11, 2006					New Holland, PA							
Head: 292					Head				Trend:			
Under 30 lbs	50.00 -170.00	50 - 59 lbs	90.00 - 101.00		Not Available							
30 - 39 lbs	60.00 -119.00	60 - 69 lbs	55.00 - 80.00									
40 – 49 lbs	90.00 -113.00	70 - 89 lbs	50.00									
Chicago Mercantile Exchange \$/cwt) – September 14, 2006												
CATTLE –LIVE FUTURES					HOGS-LEAN FUTURES							
OCT06	89.25	APR07	89.98		OCT06	64.75	APR07	63.58				
DEC06	89.85	JUN07	85.95		DEC06	63.05	MAY07	66.80				
FEB07	90.28	AUG 07	85.10		FEB07	63.85	JUN07	67.50				
STOCKER – FEEDER CATTLE – (\$/cwt)												
Winchester, VA – September 11, 2006					Westminster, MD – September 12, 2006							
Steers	300 - 400 lbs	133.00 - 144.00			Steers	200 - 300 lbs	100.00 - 141.00					
	400 - 500 lbs	125.00 - 139.50				400 - 500 lbs	111.00 - 141.00					
	500 - 600 lbs	115.00 - 130.00				600 - 700 lbs	87.00 - 95.00					
	600 - 700 lbs	111.00 - 118.50				800 - 1000 lbs	72.00 - 85.00					
	700 - 800 lbs	105.00 - 115.00										
Heifers	300 - 400 lbs	120.00 - 129.00			Heifers	200 - 300 lbs	97.50 -135.00					
	400 - 500 lbs	105.00 - 118.50				400 - 500 lbs	94.00 -125.00					
	500 - 600 lbs	105.00 - 111.50				600 - 700 lbs	84.00 - 86.00					
	600 - 700 lbs	102.00 - 105.75				800 - 1000 lbs	83.00 - 85.00					
	700 - 800 lbs	98.50 - 104.00										
SLAUGHTER CATTLE (\$/cwt)												
Westminster, MD – September 12, 2006					Fed Heifers							
Sltr. Cows					Choice							84.75 - 89.25
Premium					Select							81.00 - 84.00
Breakers					Holsteins							72.00 - 75.00
Boners					Hols. Bull Calves #1							180.00 -205.00
Thin/Slow					#2							150.00 -175.00
Fed Steers					Culls							80.00 -120.00
Choice & Prime					Jerseys							10.00 - 70.00
Low Choice					Beef Cross							160.00 -200.00
Holsteins					Holstein Heifers #2							330.00
Lancaster, New Holland & Vintage – September 14, 2006												
Sltr. Steers:					Hols. Steers:							
H Ch & Pr 2-4	1193 -1500 lbs	85.50 - 88.75			Hi Ch & Pr 2-3	1365 - 1550 lbs	75.00 - 76.25					
	1500 -1570 lbs	84.25 - 86.75				1300 - 1575 lbs	73.00 - 75.50					
Choice 2- 3	1115 -1470 lbs	83.75 - 87.75			Select & Lo Ch 1-3	1230 - 1435 lbs	72.00 - 74.25					
	1515 -1625 lbs	81.00 - 85.25				1160 - 1465 lbs	70.25 - 72.25					
Select & Lo Ch 1-3	1095 -1495 lbs	82.00 - 84.75			Sltr. Cows:	Percent Lean	Bulk					
						Premium White	65 - 75	54.25 - 56.75				
Sltr Heifers					Breakers	75 - 80	49.25 - 53.75					
						Boners	80 - 85	47.25 - 50.00				
Choice 2- 3	1175 - 1370 lbs	84.50 - 85.75			Lean	88 - 90	43.00 - 47.25					
Select & Lo Ch 1-3	1075 - 1245 lbs	80.25 - 84.25										

Compiled by USDA, NASS, Maryland Field Office											
For more information about this report, call 410-841-5740											
MARYLAND DEPARTMENT OF AGRICULTURE						USDA, NATIONAL AGRICULTURAL STATISTICS SERVICE					
50 Harry S Truman Parkway						MARYLAND FIELD OFFICE					
Annapolis, MD 21401						Barbara Rater Director					
Lewis R. Riley. Secretary of Agriculture						Jeanne McCarthy-Kersey Deputy Director					
John R. Brooks, DVM. Deputy Secretary of Agriculture											